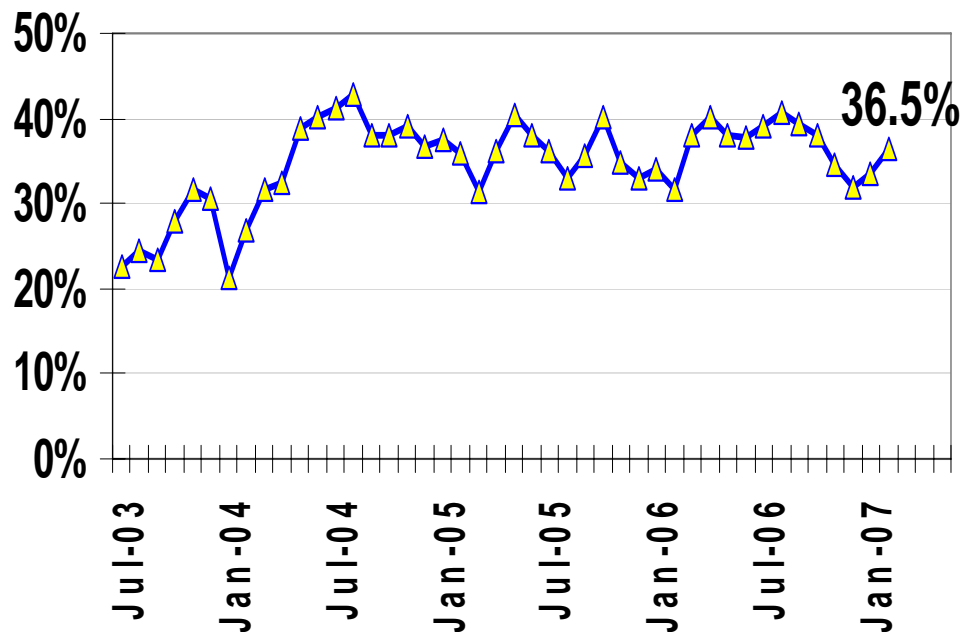


Employment Security Department Labor and Industries

Job Placements

April 11, 2007

Early Return to Work



Analysis:

- A worker who return to works with his/her employer while recovering from an injury is more likely to have a job after recovery and less likely to have a long-term disability. Employer claim costs also are decreased.
- Each month, about 950 workers with time-loss are identified as candidates for return-to-work assistance. In February, 36.5% (nearly 350 workers) were able to go back to work.
- L&I will work with workers, employers, doctors and vocational counselors to provide new tools and to identify best practices in effective return to work. However, the percentage of workers who return to work with their employer remains about the same.
- Further improvement in return to work will be made with the simplified medical report form, increased use of job modification to assist in return to work and best practices training in June.
- The fluctuation on chart numbers is likely due to limited employment opportunities for agricultural and other seasonal workers during the winter months. We are on target to meet our goals. (FY2007: 36% FY2008: 38%)

Challenges:

- Many injuries are severe enough to prevent return-to-work early in recovery process – our ability to accurately screen for work-readiness is critical.
- Small businesses find it challenging to create alternative/light duty work.
- Many doctors do not understand that return-to-work is an important part of recovery.

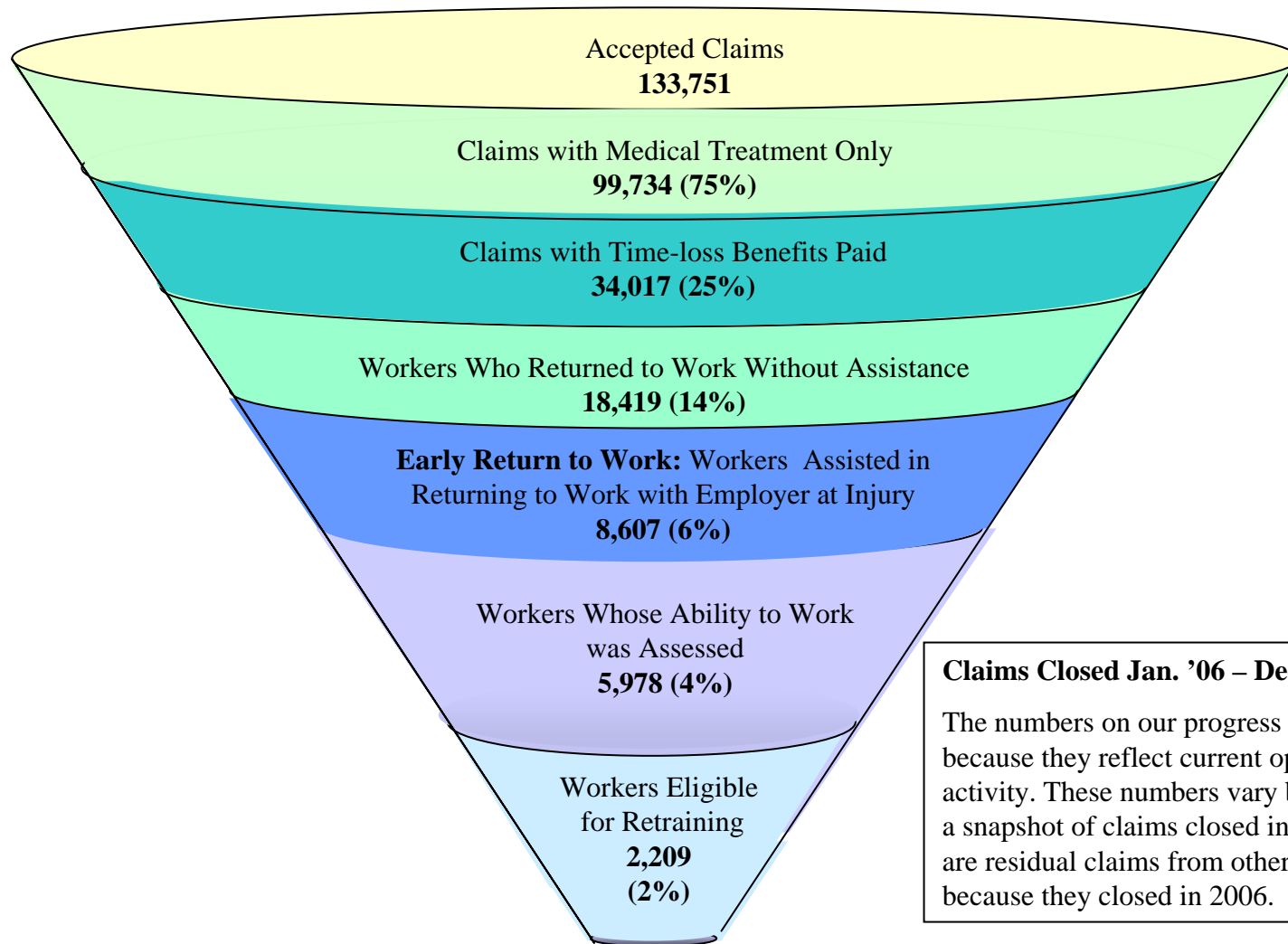
Data source: L&I Research and Data Services, Labor and Industries Data Warehouse extract (Claim Info, Referral/Voc Referral Tables), March 2007.

Action Plan for improving return-to-work services - from May 2006



Action Items	Implementation	Results
<i>Improved Screening for Work Readiness</i>		<i>Reduce delays, avoid re-referrals and improve outcomes for workers.</i>
<ul style="list-style-type: none"> • Decrease delays by giving vocational counselors access to current claim information through the on-line Claim and Account Center. Current medical information helps both the Department and the counselor screen for work-readiness. 	Implemented June 2006	Vocational counselors have real time access to medical and other information. Cost savings of \$25,400 per month from no longer printing microfiche.
<ul style="list-style-type: none"> • Implement a management reporting system that will give our claim supervisors feedback on staff performance on timeliness and effectiveness of vocational referrals. 	Implemented August 2006	Supervisors are using this information to identify and work with individual staff that make vocational referrals.
<ul style="list-style-type: none"> • Use that feedback to train claim managers on how to time vocational referrals for maximum effectiveness. • We are also improving our voc screening skills so that every worker who can be returned to work with their employer is identified. 	Training of all claim staff September 2006	There is a 4% increase over the same period last year (September-February) in vocational referrals which were effective and enabled the Department to move on in the claim process.
<i>Provide resources and tools to use best practices.</i>		<i>Reduce delays, avoid re-referrals and improve outcomes for workers.</i>
<ul style="list-style-type: none"> • Continue to provide doctors, employers, and counselors with motivation, new information and best practices in improving Return to Work. 	June 2007	Best Practices Seminar will be provided by national expert, Richard Pimentel.
<ul style="list-style-type: none"> • Evaluate a simplified medical reporting (work status) form and make the form available to all physicians who treat injured workers to improve our ability to screen for work readiness and focus doctors on best practices in return to work. 	Pilot project began July 2006 with 700 physicians	Full implementation expected by September 2007.

Number of Workers Receiving Vocational Rehabilitation Services



Claims Closed Jan. '06 – Dec. '06

The numbers on our progress charts differ because they reflect current open claim activity. These numbers vary because this is a snapshot of claims closed in 2006. There are residual claims from other years included because they closed in 2006.

Data source: L&I Research and Data Services, Labor and Industries Data Warehouse extract (Claim Info, Referral/Voc Referral Tables), Feb. 2007.

ESHB 2073 and ESSB 5920 establish a statewide five 1/2 year pilot aimed at improving vocational choices for workers and reducing claim costs and delays. These bills:

- Provide access to better training opportunities by increasing available tuition to up to \$12,000 and allowing programs up to two years.
- Require the department to develop or approve other training options for workers by working through selected WorkSource locations pursuing on-the-job training with local employers and developing programs through training institutions and business and union organizations.
- Establish accountability through time limits and expectations for counselors, workers and employers.
- Allow workers to opt out of the vocational system once they've worked with a counselor to develop a possible training goal. These workers receive an award equal to six months of time-loss and retain access to the tuition money for future use.

What we will accomplish

- Shift the cost of vocational rehabilitation and time-loss from repeated attempts at counseling/plan development to retraining workers to return to the workforce.

What we will accomplish (cont)

- Improve the percentage of workers who successfully complete their retraining plan.
- Reduce the amount of time it takes to develop a viable retraining plan.
- Increase the percentage of workers who return-to-work after receiving vocational rehabilitation assistance.
- Workers will return to work at higher wage jobs compared to the workers we are training now.
- Increase worker satisfaction and reduce costs by providing a choice for those who want to exit the system.

How we will measure our progress

- The Department will immediately begin identifying and developing appropriate time and cost measures to determine the outcomes of the legislation.
- The legislation requires several reports by the Department and an independent researcher.
- The reports will include data on the Department's performance in providing vocational services including the number, demographics, and employment outcomes of those who receive training; and those who choose the option.
- Business and labor has been actively involved in developing the legislation. They will continue to participate through an external stakeholder committee required in the bill.

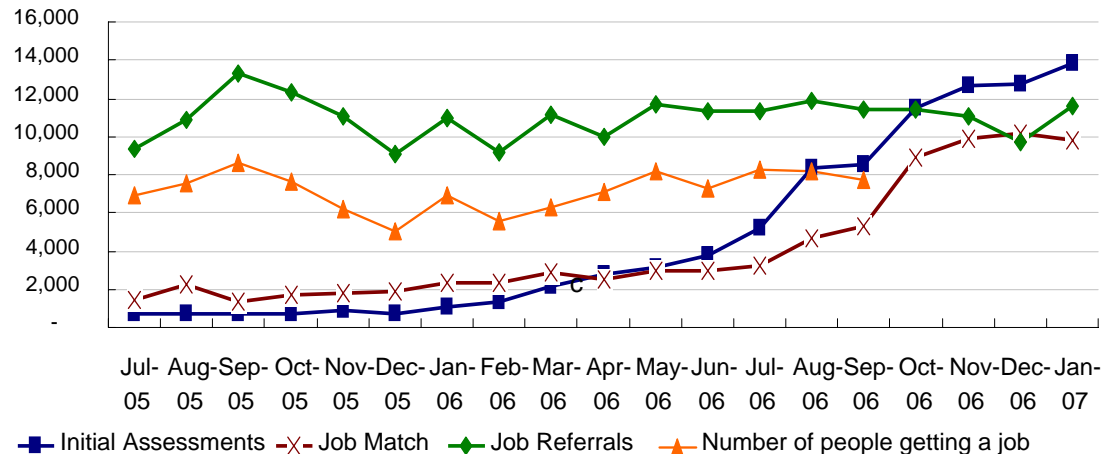
New Model Implemented to Help More People Get Jobs

Business model focuses on initial assessments, better matches of job seekers to employers

Analysis

- In July 2005, ESD launched its agency-wide internal GMAP process and spent the first months analyzing processes and what to measure. In February 2006, WorkSource areas implemented a number of pilots to determine best practices for job matching. In July 2006, the new business model was launched. A focus on key services for job seekers was implemented in all areas in October 2006.
- The increase in number of job seekers receiving initial assessments has directly increased the number of job seekers receiving job matches.
- The new business model relies on two sides of an equation: a focus on key services to job seekers AND ensuring the pool of jobs available match the pool of job seekers.
- It is too early to judge the new business model since the data on the number of people going to work lags by at least six months.
- A total of 24,165 people went to work in July-Sept. 2006 compared with 23,135 in July-Sept. 2005.

A focus on key services was implemented in all areas in Oct. '06



Next Steps

Who

By When

Emphasize *quality* of initial assessments, job matches and job referrals as well as *quantity*

Area Directors

June 2007

Increase the number of jobs in ESD job listings' pool that match the skills of ESD clients (business outreach)

Area Directors

On-going

Work with partners to align training programs with job seekers' skill needs

Area Directors

On-going

Data notes: Key services: Interviewing, Resume Assistance, Job Search Planning, Staff Assisted Job Match, Job Referral, Job Development, or Employment Referral. Initial Assessment: a tool to assist a job seeker to identify the help he/she needs to find a job.

Job Match: staff locates a job from ESD data base for which a job seeker qualifies. Job Referral: a job seeker is referred to a job opening.

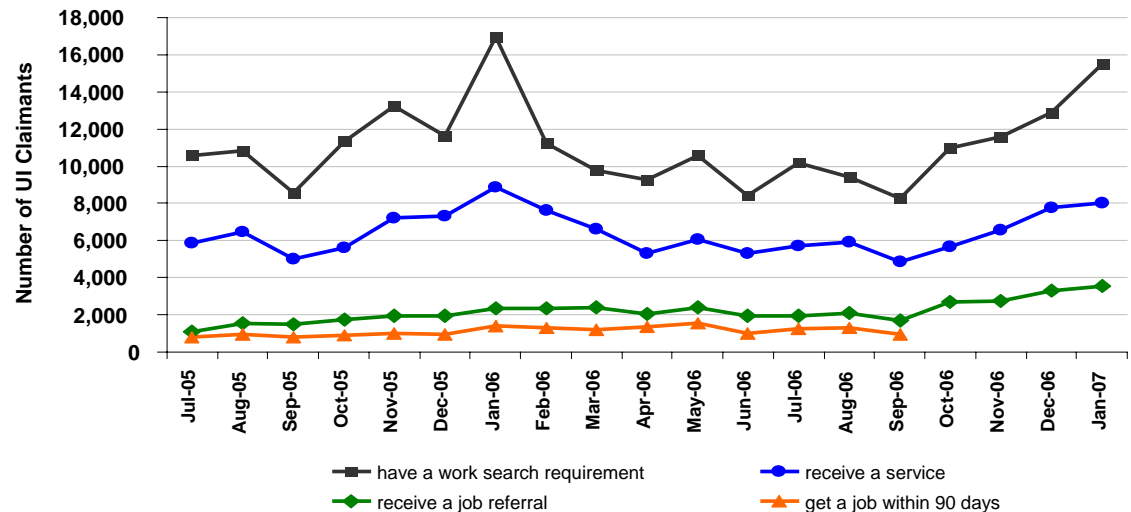
Source: Labor Market Economic and Analysis data through Jan. 2007 from ESD's SKIES system and new hire table and unemployment insurance wage file.

Unemployment Insurance Claimants are a Target Group

ESD focuses on serving unemployment insurance claimants who should be looking for work

Analysis:

- From July 2006 through January 2007, 60% of all UI claimants required to look for work came to a WorkSource office to receive services.
- 72% received a key service; and 54% of those received a job referral within 90 days.
- Historical data indicate that there is a correlation between the number of job referrals and the number of UI claimants going to work.
- The program is implementing a series of steps to 1) draw more UI claimants into WorkSource offices, and 2) apply the new business model once they arrive.
- Due to data lags, we do not yet have results of implementing new business model with UI claimants.



Next Step:

Who

By When

- | | | |
|---|------------------------------|------------|
| <ul style="list-style-type: none"> Increase number of UI claimants showing up for services by re-writing letters in plain talk | UI Division | April 2007 |
| <ul style="list-style-type: none"> Increase follow-up and enforcement by sending a second call-in letter to those who do not show up the first time. | Area Directors | April 2007 |
| <ul style="list-style-type: none"> Increase job placements by ensuring job listings match claimants' job skills (business outreach) | UI Division & Area Directors | Ongoing |

Data notes. Key services: Interviewing, Resume Assistance, Job Search Planning, Staff Assisted Job Match, Job Referral, Job Development, or Employment Referral.

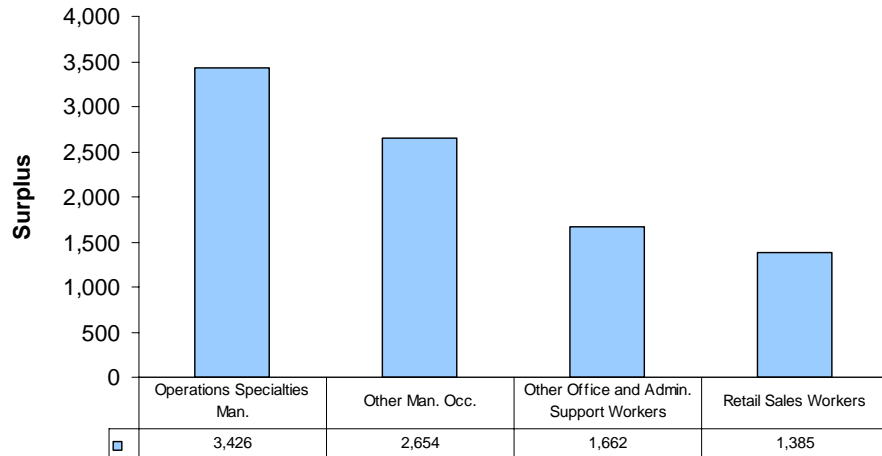
Unemployment insurance claimants affiliated with a union or returning to work for the same employer within four weeks of layoff are exempt from the requirement that they look for work.

Source: LMEA, data through Dec. 2007 from ESD's SKIES system

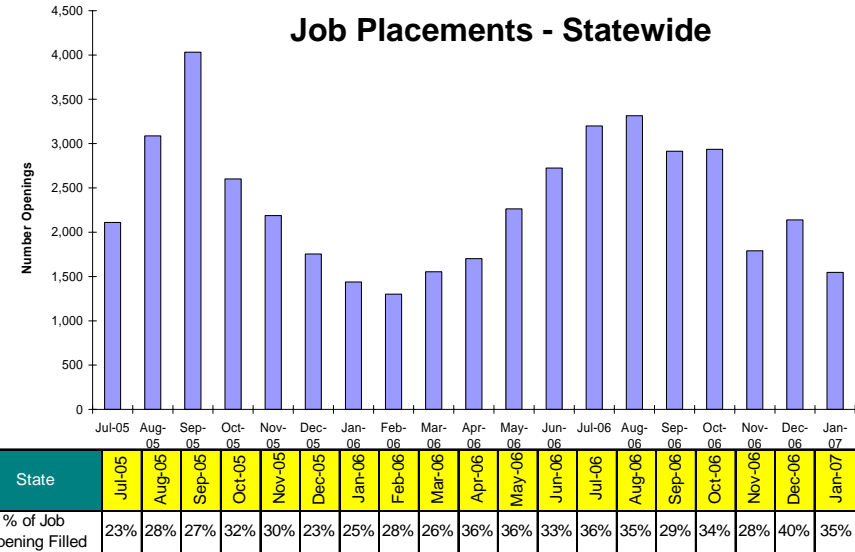
ESD Is a Good Source of Workers For Employers

Gap Analysis

Top four (4) occupations with more workers than jobs



Job Placements - Statewide



Analysis

- Gap analysis identifies mismatches between jobs listed by employers and desired occupations listed by job seekers.
- From July 2006 through Jan. 2007 compared to July 2005 through Jan. 2006:
 - 6.5% increase in job openings filled (33.4% versus 26.9%)
 - 35% decrease in the number of referrals needed to hire a worker; an indication of better referrals and better candidate screening

Next Steps

Who

When

Communicate new business model: improve method of identifying employers' needs when taking job orders

WDA Directors

June 2007

Encourage employers who have jobs with skills matching those of ESD job seekers to list their jobs with ESD

WDA Directors

June 2007

Continue monthly accountability of the 12 Area Directors via GMAP

Commissioner
Karen Lee

Monthly